

**APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC
WATERS OF THE STATE OF NEVADA**

Date of filing in State Engineer's Office JUN 12 2001

Returned to applicant for correction _____

Corrected application filed _____

Map filed JUN 12 2001

The applicant **Palisade Ranch, Inc.** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

1. The source of the proposed appropriation is **underground**
2. The amount of water applied for is **2.5 c.f.s.** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Irrigation**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated **210 acres**
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **within the SE¼ SE¼ Section 36, T.32N., R.51E., M.D.M., from which the NW corner of Section 1, T.31N., R.51E. bears S. 78° 41' W., 510 ft. distance**
6. Place of Use **portions of Section 1 & 2, T.31N., R.51E., M.D.M.**
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **drilled and cased well, line shaft turbine pump, electric motor, pipe line, wheel lines, sprinkler fixtures**
9. Estimated cost of works **Estimate: \$50,000.00**
10. Estimated time required to construct works **Two years**
11. Estimated time required to complete the application of water to beneficial use **three years**
12. Remarks: **Applicant contemplates supplementing irrigation water under Humboldt River decree (claim #00301), and additional new land as may be feasible under a design yet to be finalized.**

By s/William A. Nisbet
421 Court St.
Elko, Nevada 89801

Compared my/ cmf dl/ cmf

Protested _____

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

The well must be sealed with cement grout, concrete grout or neat cement from ground level to 100 feet.

(CONTINUED ON PAGE 3)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 2.5 cubic feet per second, and a duty of 630 acre-feet annually, and not to exceed a yearly duty of 3.0 acre-feet per acre of land irrigated from any and/or all sources.

Work must be prosecuted with reasonable diligence and be completed on or before:

October 7, 2004

Proof of completion of work shall be filed before:

November 7, 2004

Water must be placed to beneficial use on or before:

October 7, 2007

Proof of the application of water to beneficial use shall be filed on or before:

November 7, 2007

Map in support of proof of beneficial use shall be filed on or before:

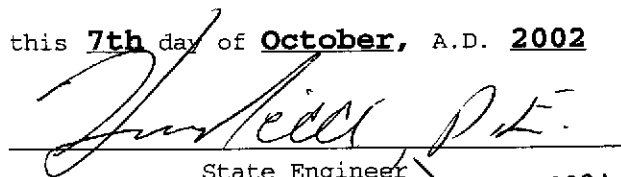
November 7, 2007

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 7th day of October, A.D. 2002


State Engineer

Completion of work filed DEC 13 2004

~~CANCELED~~ DEC 20 2004 ~~BECAUSE OF FAILURE~~
~~OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT~~

Proof of beneficial use filed _____

~~STATE ENGINEER~~
~~RESCINDED BY LTR~~
~~12-30-04~~

Cultural map filed _____

Certificate No. _____ Issued _____

Abrogated By p 73772 0.0/3